

# ABOUT THIS REPORT

## FINANCIAL REPORT

The City of Atlanta's Finance Department is proud to present this Popular Annual Financial Report (PAFR). This is a short form report that provides summarized information about the City's financial activities. It is intended to give readers an overview of the City and its finances. It is derived from, but does not provide all the detailed information required by accounting standards (Generally Accepted Accounting Principles or GAAP). It does not include information on all of the City's Funds or Component Units.

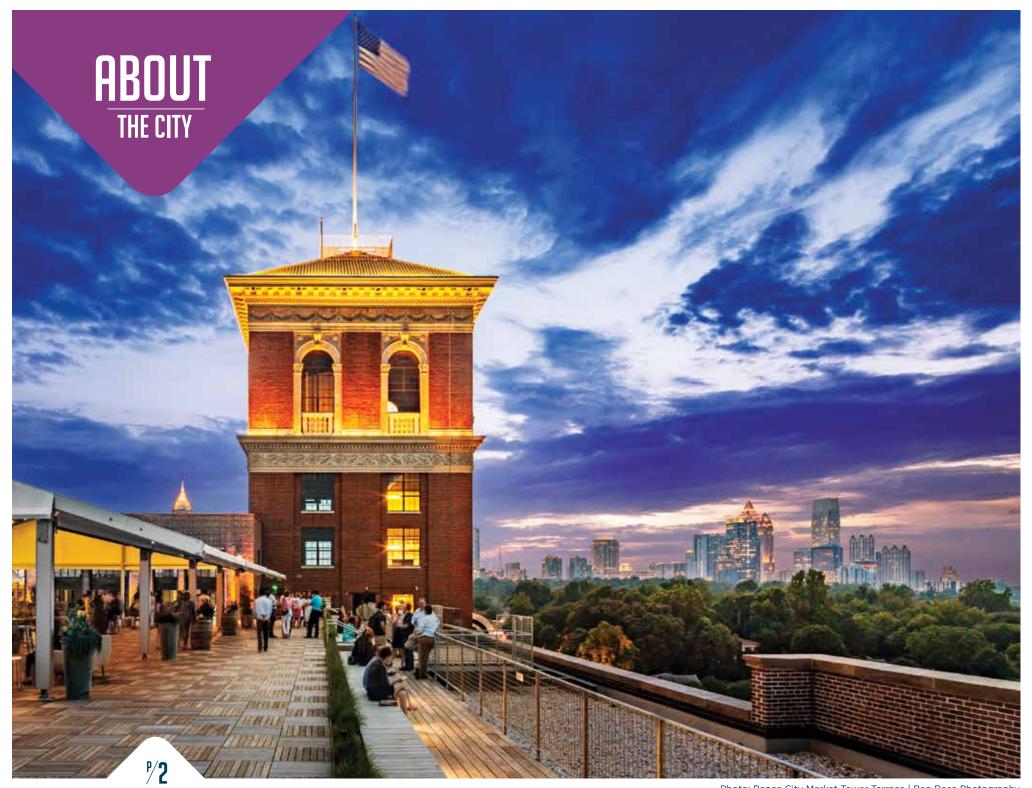
Detailed financial information, including the audited financial statements, is available in the City's Comprehensive Annual Financial Report, commonly called the CAFR. The CAFR provides full disclosure of all material events in the notes to the financial statements, as well as required supplementary information and historical statistical information.

The CAFR and PAFR are available online at: www.atlantaga.gov/Government/Departments/Finance/Controller





## **CONTENTS**



CITY OF ATLANTA DEPARTMENT OF FINANCE | 2017 PAFR

## MISSION

# EXCELLENCE IN MUNICIPAL FINANCIAL LEADERSHIP PERSONIFIED

The Department of Finance serves as a strategic business partner to provide excellent service to internal and external customers, deliver a clear and concise picture of the City's current and future financial position and promote actions to achieve the City's priorities.

## OUTSTANDING ACHIEVEMENT

### **IN PAFR REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) presented the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) to the City of Atlanta for its Popular Annual Financial Report for the fiscal year ended June 30, 2016. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest national standards for preparation of state and local government popular reports.



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

### City of Atlanta Georgia

For its Annual Financial Report for the Fiscal Year Ended

June 30, 2016



The Comprehensive Annual Financial Report (CAFR), one of the supporting documents for this report, also represents award-winning work, having earned the GFOA's Certificate of Achievement for Excellence in Financial Reporting for 32 consecutive years.



ABOUT / THE CITY

**Botanical Gardens:** 

Atlanta Beltline



Photos (top to bottom): Emory University; Atlanta Jazz Festival; Martin Luther King, Jr. Statue on Georgia State Capitol Grounds

ATLANTA IS THE

9TH

LARGEST METRO AREA
IN THE COUNTRY
WITH A POPULATION OF 5.7M

## QUICK FACTS

FOUNDED December 1847

**GEOGRAPHY** 

Land 133.15 square miles

Water 0.7 square miles

**DEMOGRAPHICS** 

Personal Income<sup>3</sup>

Residents<sup>1</sup> 472,522

Median Age<sup>2</sup> 33 Years

Per Capita Personal Income<sup>4</sup> \$45,092

RACE & ETHNICITY<sup>5</sup> GENDER<sup>5</sup>



54% BLACK & AFRICAN AMERICAN

38% WHITE 5% HISPANIC & LATINO

3% ASIAN & OTHER



**50.4% FEMALE 49.6% MALE** 

### **EDUCATION**

High School Graduates<sup>6</sup>

Bachelor's Degree<sup>7</sup>

Number of Colleges and Universities<sup>7</sup>

Annual College and University Enrollment<sup>7</sup>

57

250,000

\$257B

89%

33.9%

U.S. Census Bureau, QuickFacts Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2016; as of October 2, 2017.

<sup>2</sup>U.S. Census Bureau, American Community Survey data for City of Atlanta; data limited to household population, excludes institutions, college dormitories, and other group quarters; data available 2010 through 2014 as of October 2, 2017.

<sup>3</sup>U.S. Department of Commerce, Bureau of Economic Analysis — data reported annually, available through 2015 for Atlanta MSA this figure is inclusive of Atlanta-Sandy Springs-Marietta; as of October 2, 2017.

<sup>4</sup>U.S. Department of Commerce, Bureau of Economic Analysis — data reported annually, available through 2015 for Atlanta MSA; as of October 2, 2017.

<sup>5</sup>Sources for gender, race and ethnicity: U.S. Census Bureau (2016).

<sup>6</sup>U.S. Census Bureau, American Community Survey for City of Atlanta, percentage of population that attained high school degree or higher educational degrees; data based on population 25 years and over and limited to household population, excludes institutions, college dormitories, and other group quarters; data available 2011 through 2015 as of October 2, 2017.

<sup>7</sup>Atlanta Regional Council for Higher Education.

## NUMBERS

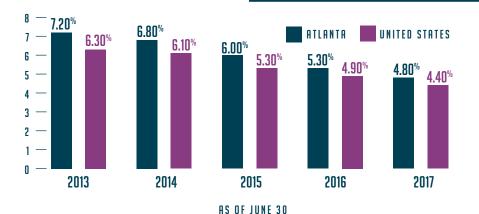
CITY OF ATLANTA DEPARTMENT OF FINANCE | 2017 PAFR

		2014	2015	2016	2017
Police	Stations Zone Offices Patrol Units	16 6 337	17 6 377	15 6 396	15 6 359
Fire	Stations	35	35	36	36
Public Works Refuse Collection	Collection Trucks	95	94	88	88
Parks and Recreation	Acreage Playgrounds Baseball/Softball Diamonds Soccer/Football Fields Community Centers	4,395 111 86 32 42	4,781 111 58 36 44	4,810 113 58 36 42	4,816 115 58 36 43
Water	Water Mains (miles)  Storage Capacity (millions of gallons)	2,766 247	2,766 247	2,766 247	2,818 247
Waste Water	Sanitary Sewers (miles)  Treatment Capacity (millions of gallons per day)	2,259	2,259 202	2,259 188	1,871
Aviation	Number of Runways Passenger Traffic (millions)	5 94.8	5 98.3	5 103.7	5 104.3

Sources: Various City Departments.



## **STATISTICS**



#### **UNEMPLOYMENT RATES**

City of Atlanta unemployment rate has seen a steady decline since 2013. The unemployment rate in Atlanta in 2013 was 7.2% and is now 2.4% lower at 4.8% as of June 2017.

Source: U.S. Dept of Labor, Bureau of Labor Statistics. This figure is inclusive of Atlanta-Sandy Springs-Marietta.

### **POPULATION/GROWTH RATES**

Atlanta City population continues to steadily increase and remains the 9th largest metropolitan area in the country growing by approximately 1.9% between 2015 and 2016. The Atlanta area has gained a reputation as an ever-changing international city with much more urban revitalization and growth in central metro counties. Drawn by job opportunities, a reasonable cost of living and warm weather, hundreds of thousands of people moved to metro Atlanta in the last five years, increasing the region's population to 5.7M, according to U.S. Census estimates.



Source: U.S. Census Bureau, QuickFacts population estimate 2016.

INDUSTRY	PERCENTAGE OF TOTAL EMPLOYMENT
TRADE, TRANSPORTATION, AND UTILITIES	22.4%
PROFESSIONAL AND BUSINESS SERVICES	19.7%
EDUCATION AND HEALTH SERVICES	12.6%
GOVERNMENT	12.5%
LEISURE AND HOSPITALITY	11.1%
MANUFACTURING	6.4%
OTHER	15.3%

#### **EMPLOYMENT BY INDUSTRY**

The estimated average annual employment, categorized by industry for the City in 2016, is reflected in this table. The highest area of employment was in Transportation, Trade, Professional, Business and Health Services.

Source: Georgia Department of Labor, Industry Mix Analysis.

## **STATISTICS**

CITY OF ATLANTA DEPARTMENT OF FINANCE | 2017 PAFR

### TOP 10 EMPLOYERS - 2016

EMPLOYER	TYPE OF BUSINESS	EMPLOYEES	% OF TOTAL CITY EMPLOYMENT
Delta Air Lines, Inc.	Transportation	5,348	2.30%
The Coca-Cola Company One Coca Cola	Marketing and Manufacturing	4,256	1.83%
Accenture LLP	Consulting	2,159	0.93%
AT&T Services, Inc.	Telecommunication	2,139	0.92%
The Coca-Cola Company	Marketing and Manufacturing	1,737	0.75%
Air Serv Corp.	Transportation	1,733	0.75%
Cable News Network	Media	1,732	0.75%
Turner Broadcasting System, Inc.	Media/Entertainment	1,614	0.69%
Cap Gemini	Consulting	1,516	0.65%
Atlanta Medical Center, Inc.	Healthcare	1,425	0.61%
Total		23,659	10.18%



Source: Total employment data from City of Atlanta, Office of Revenue, Business License Division.

## ABOUT / THE CITY

## GOVERNMENT





### THE CITY COUNCIL

The City's policy-making and legislative authority are vested in a governing council (City Council) consisting of fifteen members and an elected City Council President who serves as presiding officer. The City Council's primary responsibilities are adopting ordinances, adopting the budget, and setting policy for the City. Working hand in hand with Atlanta's Mayor and the members of the executive branch, the Council plays a key role in the budget process and financial well-being of Atlanta.

## THE MISSION OF THE CITY COUNCIL:

TO ENSURE THAT ATLANTA IS LED BY A GROUNDBREAKING, STRONG, AND CAPABLE GROUP OF LEADERS THAT WORK FOR THE GOOD OF ALL CITIZENS ACROSS THE CITY.

### **BUDGET PROCESS**

Annual budgets are adopted for the General Fund, Special Revenue Funds, and Debt Service Funds, with the level of legal budgetary control established at the office level by City Council. The City is required to adopt a balanced budget each year and maintain budgetary controls to ensure compliance with legal provisions of the annual appropriated budget

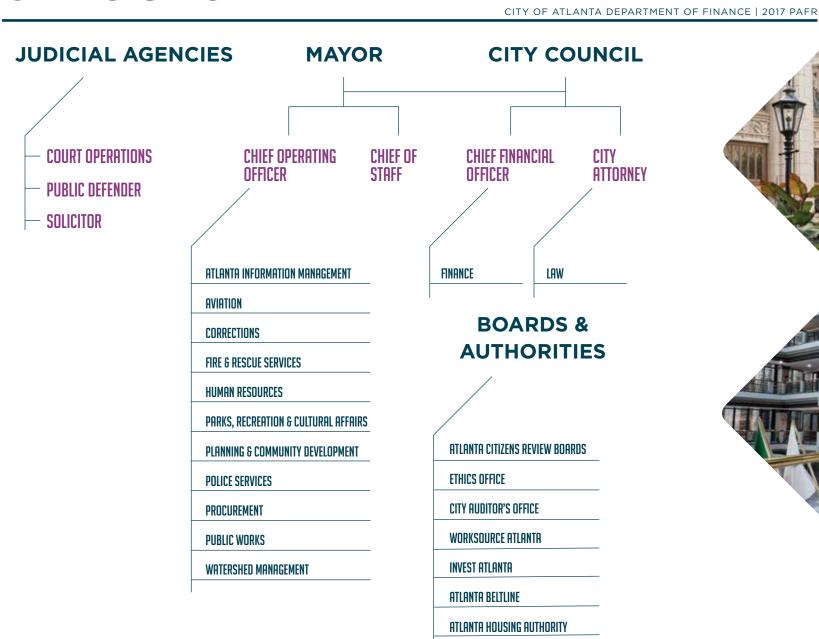
approved by the Mayor and City Council. The amounts of anticipated revenues and appropriated expenditures for the annual budget are controlled by the City Charter and various ordinances adopted by the City Council. Appropriations for capital projects are approved by the City Council principally on an individual basis, when the project is initially approved.

### CONSTITUTION

The fifteen-member City Council is elected on a non-partisan basis. Twelve of the Council Members are elected by district. The Mayor, the remaining Council Members and the Council President are elected at large. Council Members serve four-year terms, as does the Mayor. The Mayor is limited to two consecutive terms. There are no term limits for Council Members or the Council President.

The Atlanta City Council prides itself on being responsive to its citizens. If you have a comment or concern and would like to speak to a Council Member, please call (404) 330-6030.

## **STRUCTURE**

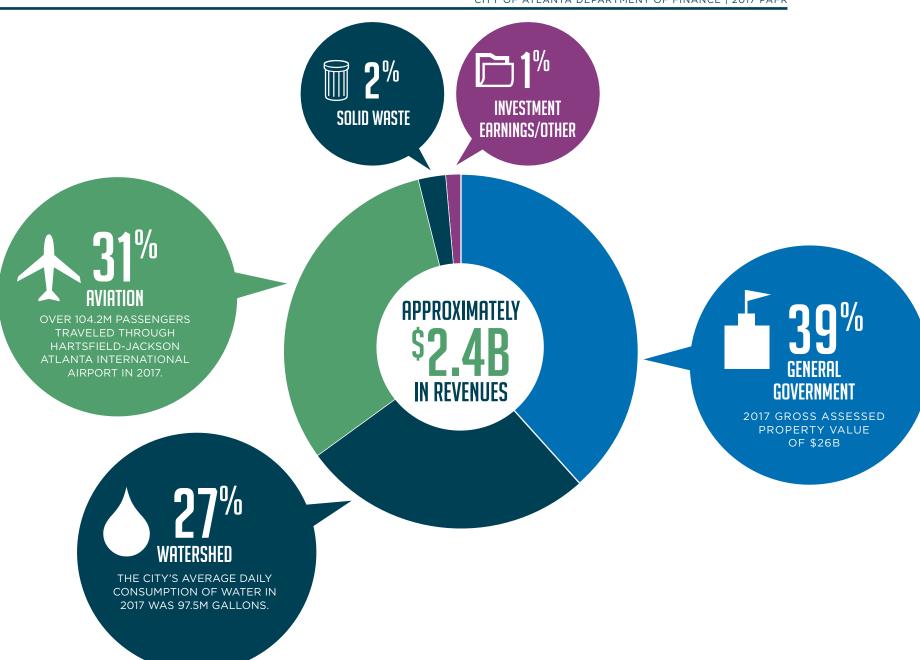






## **REVENUES**

CITY OF ATLANTA DEPARTMENT OF FINANCE | 2017 PAFR





The City's financial activities in total are made up of two broad classifications: governmental and business-type activities. Additionally, there are two main sources of Revenue for the City: Program Revenues and General Revenues. Program Revenues include charges for services and General Revenues include property and sales taxes. Revenue for the City in FY2017 totaled \$2.37B, an increase of \$50.8M or 2.2% compared to FY2016. Total expenses for the City totaled \$2.23B in FY2017, an increase of \$222.6M or 11% compared to FY2016.

### STATEMENT OF CHANGES IN NET POSITION

AS OF JUNE 30, 2017 (IN THOUSANDS)

REVENUES	Governmental Activities	Business-type Activities	Total 2017	Total 2016
Program Revenues	284,150	1,309,302	1,593,452	1,522,493
General Revenues	760,196	17,283	777,479	797,618
Total Revenues	1,044,346	1,326,585	2,370,931	2,320,111
EXPENSES				
General Government	465,965	-	465,965	308,606
Public Safety	347,600	-	347,600	334,147
Water and Wastewater System	-	471,536	471,536	450,896
Department of Aviation	-	673,027	673,027	640,793
Sanitation	-	40,148	40,148	61,471
Other	233,369	6,835	240,204	219,998
Total Expenses	1,046,934	1,191,546	2,238,480	2,015,911
Increase in Net Position Before Transfers	(2,588)	135,039	132,451	304,200
Transfers In (Out)	(34,496)	34,496	-	-
Increase (Decrease) in Net Position	(37,084)	169,535	132,451	304,200
Net Position, Beginning of Period	(501,796)	7,475,447	6,973,651	6,669,451
Net Position, End of Period	(538,880)	\$7,644,982	7,106,102	6,973,651

**Proctor Creek** 

### STATEMENT OF NET POSITION

AS OF JUNE 30, 2017 (IN THOUSANDS)

	Governmental Activities	Business-type Activities	Total 2017	Total 2016
Current Assets	\$ 1,091,543	\$ 3,765,249	\$ 4,856,792	\$ 4,732,662
Capital Assets, Net of Depreciation	1,042,996	11,211,876	12,254,872	12,029,625
Deferred Outflows of Resources	236,372	330,707	567,079	468,446
Total Assets and DeferredOutflows	2,370,911	15,307,832	17,678,743	17,230,733
Current Liabilities	231,176	775,977	1,007,153	663,889
Non-Current Liabilities	2,586,686	6,872,312	9,458,998	9,461,034
Deferred Inflows of Resources	91,929	14,561	106,490	132,159
Total Liabilities and Deferred Inflows	2,909,791	7,662,850	10,572,641	10,257,082
Net Invesment in Capital Assets	86,340	5,687,008	5,773,348	5,386,932
Restricted Net Position	744,874	1,069,578	1,814,452	1,681,277
Unrestricted Net Position	(1,370,094)	888,396	(481,698)	(94,558)
Total Net Position	\$ (538,880)	\$ 7,644,982	\$ 7,106,102	\$ 6,973,651

The Statement of Net Position presents information on all of the City's assets and liabilities, deferred outflows, and deferred inflows with the difference between the above reported as Net Position. Net Position is the difference between what the City owns and what the City owes. Positive net position balances indicate a measure of financial stability. The City's net position increased from \$6.9B in FY2016 to \$7.1B in FY2017.

The City's financial activities also include Component Units which are legally separate organizations for which the City is financially accountable. Financial information for these component units is reported

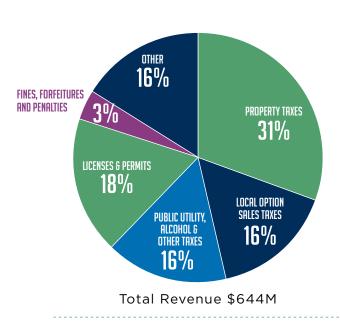


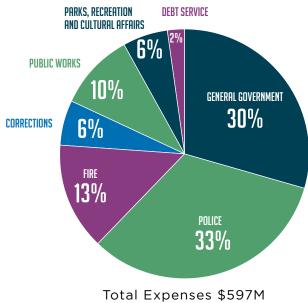


## FUND

## WHERE THE MONEY COMES FROM



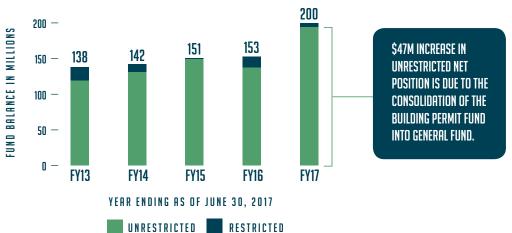




THE FY17 TOTAL FUND
BALANCE WAS
\$200M
THE HIGHEST IN
THE CITY'S HISTORY.

THIS INCLUDES \$194M IN UNRESTRICTED AND \$6M IN RESTRICTED FUND BALANCE

### **GENERAL FUND — FUND BALANCE**



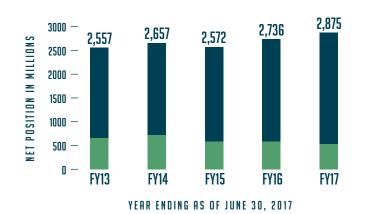


### **DEPARTMENT OF WATERSHED** MANAGEMENT - NET POSITION

FY17 Net Position for Watershed includes 81% in Net Investments in Capital Assets while 19% is Unrestricted.

UNRESTRICTED

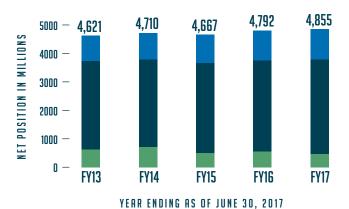
NET INVESTMENT IN CAPITAL ASSETS



CITY OF ATLANTA DEPARTMENT OF FINANCE | 2017 PAFR



FY17 Net Position for Aviation includes 68% Net Investments in Capital Assets, 22% Restricted, and 10% Unrestricted.



UNRESTRICTED

NET INVESTMENT IN CAPITAL ASSETS

RESTRICTED FOR CAPITAL PROJECTS AND DEBT SERVICE





## **DEBT**

THE CITY'S LONG-TERM DEBT, INCLUDING CAPITAL LEASES, AT JUNE 30, 2017 TOTALED \$7.6B

A NET DECREASE OF \$102M OR 1.3% FROM THE PRIOR YEAR'S BALANCE OF \$7.7B

LONG-TERM DEBT (IN THOUSANDS)	Governmental Activities 30-Jun-17	Business-type Activities 30-Jun-17	Total As of 30-Jun-17	Total As of 30-Jun-16	
General Obligation and Annual Bonds	\$ 350,285	-	\$ 350,285	\$ 357,955	
Premium on Bonds	33,773	-	33,773	37,668	
Certificate of Participation	29,780	-	29,780	32,160	
Deferred Issuance Premiums	3,924	-	3,924	4,729	
SWMA Revenue Refunding Bonds	9,360	-	9,360	10,980	
Limited Obligation Bonds	526,535	-	526,535	471,830	
Premium on Bonds	20,267	-	20,267	6,532	
Section 108 Loans	660	-	660	930	
Other General Long-term Obligations	47,774	-	47,774	62,829	
Intergovernmental Agreements-AHOI	376,552	-	376,552	343,455	
Notes Payable	2,054	-	2,054	4,016	
Commercial Paper	-	-	-	-	
Water and Wastewater Revenue Bonds	-	2,740,300	2,740,300	2,814,455	
Premium on Bonds	-	234,491	234,491	209,685	
GEFA Notes Payable	-	176,874	176,874	168,222	
Airport Facilities Revenue Bonds	-	2,580,645	2,580,645	2,702,125	
Issuance Premiums	-	127,339	127,339	143,436	
Bond Anticipation Notes	-	300,000	300,000	300,000	
Parking Deck	-	15,605	15,605	-	
Deferred Issuance Premiums	-	2,191	2,191	-	
City Plaza	-	9,230	9,230	9,465	
Deferred Issuance Premiums	-	1,086	1,086	1,215	
Capital Leases	23,544	7,143	30,687	40,464	
Total	\$ 1,424,508	\$ 6,194,904	\$ 7,619,412	\$ 7,722,151	



Photo: Ariel View of the Atlanta Metropolitan Area

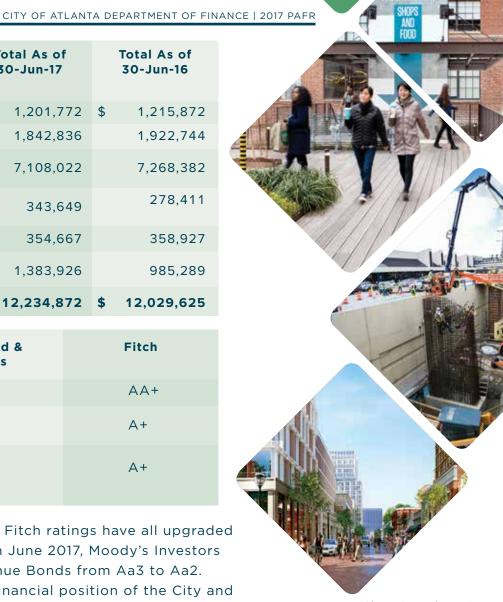
### CITY / FINANCES

## **ASSETS**

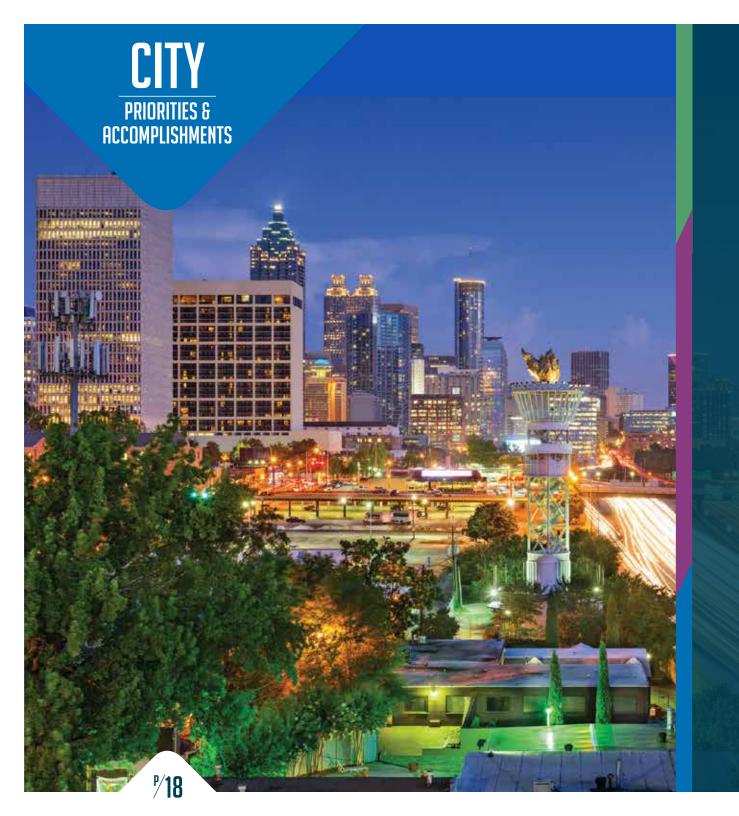
CAPITAL ASSETS (IN THOUSANDS)	Governmental Activities 30-Jun-17		Business-type Activities 30-Jun-17		Total As of 30-Jun-17		Total As of 30-Jun-16	
Land	\$	208,721	\$	993,051	\$	1,201,772	\$	1,215,872
Land Improvements		20,022		1,822,814		1,842,836		1,922,744
Buildings & Building Improvements		278,925		6,829,097		7,108,022		7,268,382
Other Property and Equipment		88,723		278,926		343,649		278,411
Infrastructure		354,667		-		354,667		358,927
Construction In Progress		95,938		1,287,988		1,383,926		985,289
Total	\$	1 042 996	\$	11 211 876	\$	12 234 872	\$	12 029 625

CITY OF ATLANTA MUNICIPAL BOND RATINGS	Moody's Investor Services	Standard & Poor's	Fitch
General Obligation Bonds	Aa1	AA+	AA+
Water and Wastewater Revenue Bonds	Aa2	AA-	A+
Hartsfield-Jackson Atlanta International Airport Revenue Bonds	Aa3	AA-	A+

The Standard & Poor's rating service, Moody's Investors service and Fitch ratings have all upgraded the City of Atlanta's general obligation debt over the last 8 years. In June 2017, Moody's Investors Service upgraded the City of Atlanta's Water and Wastewater Revenue Bonds from Aa3 to Aa2. The upgraded credit ratings are a sign of confidence in the strong financial position of the City and can impact the bottom line by reducing the cost of borrowing for new infrastructure. The upgrades represent the highest credit rating the City of Atlanta has had in more than two decades.



Photos (top to bottom): Ponce City Market; ATLNext construction at Hartsfield-Jackson Atlanta International Airport; New Underground Atlanta Development Rendering





## THE REED COMMITMENT

A SAFE CITY

**PUBLIC SAFETY** 

## A FINANCIALLY STRONG CITY

FISCAL ACCOUNTABILITY AND EFFICIENT GOVERNMENT

### **A CARING CITY**

CENTERS OF HOPE AND
THE MAYOR'S YOUTH PROGRAM

## A WORLD CLASS CITY

BUSINESS GROWTH,
TOURISM AND CONVENTIONS

## A LEADING CITY

TRANSPORTATION,
SUSTAINABILITY AND GREENSPACE

## **ACCOMPLISHMENTS**

CITY OF ATLANTA DEPARTMENT OF FINANCE | 2017 PAFR

### **PUBLIC SAFETY**

- Overall crime down 27% since Mayor Reed took office.
- General Electric and the APD partnered to focus on key issues to strengthen APD.
- Continued state-of-the-art Video Integration Center (VIC) expansion, now with more than 7,000 public and private cameras integrated.

### **CITY INFRASTRUCTURE**

- Continued execution against
   Renew Atlanta vertical and horizontal infrastructure work programs.
- Atlanta voters authorized \$2.6B in funding for MARTA expansion and \$300M for transportation infrastructure.

## HUMAN CAPITAL AND YOUTH DEVELOPMENT

- Expanded youth and senior programming at Parks and Recreation facilities.
- More than 3,700 young people received leadership development and mentorship at the Centers of Hope.

### **ECONOMIC DEVELOPMENT**

- Airport maintained its #1 global passenger ranking (more than 100M) and the title of world's most efficient airport.
- NCR Corporation relocated its corporate headquarters to Midtown Atlanta.
- 7,000 new jobs created in the City of Atlanta in 2016.

## GOVERNMENT EXCELLENCE AND EFFICIENCY

 Atlanta 311 experienced a call volume of more than 400K with 97% in call accuracy.

### FISCAL STABILITY

- Delivered another balanced budget without increasing property taxes.
- General Fund fund balance is at \$200M, the highest in City's history.
- The City's credit ratings upgrades represent the highest credit rating in more than two decades.



**PRIORITIES** 

ACCOMPLISHMENTS



### CIP

Construction-In-Progress

### **COMPONENT UNITS**

Legally separate organizations for which the City is financially accountable. Includes the Atlanta Development Authority (Invest Atlanta), Atlanta Housing Opportunity Inc., The Atlanta Fulton County Recreation Authority and the Atlanta Urban Redevelopment Agency (AURA).

## DEFERRED INFLOW OF RESOURCES

An acquisition of net position by the government that is applicable to a future reporting period.

### DEFERRED OUTFLOW OF RESOURCES

A consumption of net position by the government that is applicable to a future reporting period.

#### DOA

Department of Aviation

### **DWM**

Department of Watershed Management

### **GEFA**

Georgia Environmental Finance Authority

### **GENERAL REVENUES**

General Revenues includes property and sales taxes. This is the primary form of funding for governmental funds.

#### **GOVERNMENTAL ACTIVITIES**

Activities generally financed through taxes and intergovernmental revenues. Includes primary governmental functions like public safety, public works, parks and recreation, and general government.

### **LIABILITIES**

What the City owes.

### **NET POSITION**

Difference between assets and liabilities.

#### **PROGRAM REVENUES**

Program Revenues represents the City's main source of funding (inflow of assets) and is made up mostly of charges for services (both governmental and business-type activities), but also includes operating and capital grants (state or federal).

#### **SWMA**

Solid Waste Management Authority

Photos (top to bottom): Zoo Atlanta; ELEVATE; Parking Day Activity; Atlanta Botanical Gardens; High Musuem of Atlanta



# COMMENTS AND QUESTIONS

The Department of Finance is committed to accomplishing the Mayor's priorities and providing clear and transparent reporting of the City's financial activities. We hope this report has been helpful in providing a brief overview of the City and its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

### **City of Atlanta Department of Finance**

Attention: Chief Financial Officer 11100 City Hall Tower 68 Mitchell St., SW Atlanta, Georgia 30303



**KASIM REED**Mayor

J. ANTHONY BEARD
CHIEF FINANCIAL OFFICER

**DANIEL L. GORDON**CHIEF OPERATING OFFICER

CANDACE L. BYRD
CHIEF OF STAFF

CATHY HAMPTON

CITY ATTORNEY

### **MEMBERS OF CITY COUNCIL**

**CEASAR MITCHELL** 

ATLANTA CITY COUNCIL, PRESIDENT

CARLA SMITH
DISTRICT 1

**KWANZA HALL**DISTRICT 2

IVORY LEE YOUNG, JR.
DISTRICT 3

CLETA WINSLOW
DISTRICT 4

NATALYN MOSBY ARCHIBONG
DISTRICT 5

**ALEX WAN**DISTRICT 6

HOWARD SHOOK
DISTRICT 7

YOLANDA ADREAN
DISTRICT 8
FELICIA MOORE

DISTRICT 9

C.T. MARTIN

DISTRICT 10

**KEISHA LANCE BOTTOMS** 

DISTRICT 11

JOYCE M. SHEPERD
DISTRICT 12

MICHAEL JULIAN BOND
POST 1 AT-LARGE

MARY NORWOOD POST 2 AT-LARGE

ANDRE DICKENS
POST 3 AT-LARGE

**RHONDA DAUPHIN-JOHNSON** 

MUNICIPAL CLERK